

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

Petition of Southeast Telephone, Inc., for)
Arbitration of Certain Terms and)
Conditions of the Proposed Agreement with)
Kentucky ALLTEL, Inc., Pursuant to the)
Communications Act of 1934, as amended)
by the Telecommunications Act of 1996)

Docket No. 2003-00115

STATEMENT OF KENTUCKY ALLTEL, INC. REGARDING THE STATUS OF
RESOLVED AND UNRESOLVED ISSUES

Kentucky ALLTEL, Inc. ("Kentucky ALLTEL") hereby advises the Kentucky Public Service Commission ("Commission") that, upon its best information and belief, the following summarizes the status of the various arbitration issues. The numbering of issues reflected below corresponds to those used by the parties in the Petition and the Response.

Issues 1 and 2: The Parties have resolved these issues by agreeing to the following language:

15. Force Majeure

15.1 Neither Party shall be responsible for any delay or failure in performance which results from causes beyond its reasonable control ("Force Majeure Events"), whether or not foreseeable by such Party. Such Force Majeure Events include, but are not limited to, adverse weather conditions, flood, fire, explosion, earthquake, volcanic action, power failure, embargo, war, revolution, civil commotion, act of public enemies, inability to obtain equipment, parts, software or repairs thereof, acts or omissions of the other Party, and acts of God.

15.2 If a Force Majeure Event occurs, the non-performing Party shall give prompt notification of its inability to perform to the other Party. During the period that the non-performing Party is unable to perform, the other Party shall also be excused from performance of its obligations to the extent such obligations are reciprocal to, or depend upon, the performance of the non-performing Party that has been prevented by the Force Majeure Event. The non-performing Party shall use commercially reasonable efforts to avoid or remove the cause(s) of its nonperformance and both Parties shall proceed to perform once the cause(s) are removed or cease.

15.3 Notwithstanding the provisions of Sections 15.1 and 15.2, in no case shall a Force Majeure Event excuse either Party from an obligation to pay money as required by this Agreement.

15.4 In the event of any labor unrest (including, but not limited to, strikes, work stoppages, slowdowns, picketing or boycotts) that affects ALLTEL's provision of service to SouthEast Telephone or its customers, ALLTEL shall not be required to provision any service at a higher level of quality than that which it provides to its own customers in the SouthEast Telephone service area. ALLTEL shall be required to provide service to SouthEast Telephone that is comparable to that it provides in connection with its provision of service to its own end use customers in the SouthEast Telephone service area.

Issue 3: The Parties have resolved this issue by agreeing to the language of Section 21.1 of the proposed interconnection agreement that is attached as Exhibit 1 to Kentucky ALLTEL's Response.

Issue 4: The Parties have resolved this issue by agreeing to the language of Sections 21.1.1.24, 21.1.1.25 , 21.1.1.26 and 21.1.1.27 of Exhibit 1 to the Kentucky ALLTEL Response.

Issue 5 The Parties have resolved this issue by agreeing to the following language as Section 43.2:

Section 43.2 Assignment

Neither Party may assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that if ALLTEL sells or otherwise transfers its operations for all or any material portion of its service territory in Kentucky in which SE Tel is then providing service and utilizing services under this Agreement, to a third-party ("Assignee"), ALLTEL shall assign this Agreement and its rights and interests under this Agreement and delegate its obligations under this Agreement, in its entirety, and such shall be binding upon ALLTEL's successor in interest, except to the extent necessary to modify the provisions of this Agreement to reflect any differences and ability to perform by the Assignee because its operational support systems and practices and network systems are different from those of ALLTEL and therefore not compatible with any provision of this Agreement.

Issue 6: The Parties have resolved this issue by agreeing to the language included in Sections 45.1 and 45.2 as reflected in Exhibit 1 to Kentucky ALLTEL's Response.

Issue 7: This issue is resolved in part, as the Parties agree to replace the phrase "as defined by ALLTEL" with the phrase "as reflected in ALLTEL tariffs" in Section 51.74 of Exhibit 1 to Kentucky ALLTEL's Response. This issue is unresolved as to whether Kentucky ALLTEL is required to pay reciprocal compensation to SETel with respect to

traffic that originates with Kentucky ALLTEL end users and is delivered to SETel for delivery to an Internet service provider ("ISP traffic").

Issue 8: The parties have resolved this issue by agreement to the following language that would be included in Attachment 1 (Glossary) of Exhibit 1 to Kentucky ALLTEL's Response:

Local Traffic is defined as any telephone call that originates with an end user in one (1) exchange and terminates to an end user in either the same exchange or a corresponding extended area service ("EAS") exchange. The terms "exchange" and "EAS" as utilized in this definition are as have been approved by the Commission and reflected in ALLTEL tariffs.

Issue 9: The Parties have resolved this issue by agreement to the language of Section 55.3 as reflected in Exhibit 1 to Kentucky ALLTEL's Response.

Issue 10: The Parties have resolved this issue by agreement to the language of Attachment 2 Section 55.5 of Exhibit 1 to Kentucky ALLTEL's Response.

Issue 11: The Parties have resolved this issue by agreement to the language of Attachment 2, Section 55.7 of Exhibit 1 to Kentucky ALLTEL's Response.

Issue 12: The Parties have resolved this issue by agreement to the following language that will be included as Section 64.5 of Exhibit 1 to Kentucky ALLTEL's Response, except that it now appears that SETel disagrees with the DS1 capacity threshold provided below:

Section 64.5. The initial interconnection point (IP) between the Parties will be the existing interconnection point between the Parties at ALLTEL's tandem located in the ALLTEL Lexington Main Central office. Upon the volume of traffic exchanged between the parties at this IP, with respect to any end office of ALLTEL, exceeding a DS1 capacity, SE Tel shall be required to obtain or install direct trunks to connect to the relevant ALLTEL end office.

Issue 13: Whether SETel shall have access to certain unbundled network elements of ALLTEL, specifically unbundled local switching and transport is unresolved.

Issue 14: This issue is resolved by SETel withdrawing this issue from the arbitration.

Issue 15: This issue is resolved by SETel withdrawing this issue from the arbitration.

Issue 16: This issue is unresolved.

Issue 17: This issue is unresolved.

Issue 18: This issue is resolved by SETel withdrawing the issue from the arbitration.

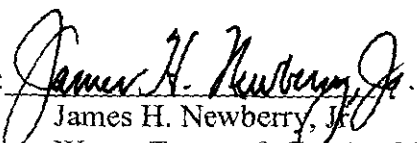
Issue 19: This issue is withdrawn by SE Tel withdrawing the issue from the arbitration.

Issue 20: This issue is withdrawn by SETel withdrawing the issue from the arbitration.

Issue 21: This issue is withdrawn by SETel withdrawing the issue from the arbitration.

Respectfully submitted,

KENTUCKY ALLTEL, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been sent this 10th day of November, 2003 by first class mail, postage prepaid, unless otherwise noted, to the following parties of record in this matter:

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VIA HAND DELIVERY:

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